



Raspberry
Golf Management

March 20, 2010

Purchasing Division
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
Attn: Purchasing Manager

RFI#36-10 – REDGATE GOLF COURSE: GOLF COURSE OPERATIONS & MANAGEMENT

To Whom It May Concern:

Pursuant to your solicitation of a **Request for Information (#36-10)**, attached please find Raspberry Golf Management's response.

The City of Rockville has a daunting task ahead in their effort to identify business opportunities and recommendations (revenue, expense and capital driven) to improve their existing golf business performance. It is a task that is achievable only with a well conceived and thorough plan along with a commitment to detail-driven execution. This is Raspberry Golf Management's mantra. Our research gathering and ability to drill-down to the fundamental causes and effects makes us unique in understanding the customer and the market in which we do business. We're operators of golf courses but, more importantly, we're owners of golf courses. By being owners, we scrutinize and cull thru endless opportunities and possibilities – rooting out the best possible avenues to achieve desired results. We expect nothing less than success, mainly because we expect nothing less of ourselves to be the best at what we do.

Attached is a genesis of Raspberry Golf Management, who we are, what makes us unique. Also included is our response to your particular questions (#5 – RFI Response – A/B/C/D) and Raspberry Golf Management's approach to solving clients needs.

It is our hope is this proposal clearly identifies the areas where we may be of assistance to you and your organization. We've made the assumption throughout this proposal that your desire is to move forward in a quick and economical fashion. We stand ready to meet and exceed your expectations. Please feel free to call us at your earliest convenience so we may discuss this proposal in more detail.

LaMott Smith
Raspberry Golf Management



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#5 - RFI Response

A) Provide a brief description of your company:

Raspberry Golf Management is a full-service golf course management and consulting firm with over 60+ combined years of hands-on, practical and successful experience. Our specialties include all aspects of golf course acquisition, development, operations and management. We're rooted in a conservative, proven approach to building brand, asset and performance value. Our expertise includes industry consulting, product assessment and evaluation, and the repositioning of golf properties to maximize value. Our success has been significantly influenced by our partners' accumulated knowledge, maturity and resiliency; as well as our proven and successful business model. Our management focuses on 'hands-on' directing of the club's services in order to ensure success, as well as to minimize overhead and facilitate efficient operations. We concentrate on improving operations by implementing standards, streamlining operations, assessing personnel and raising guest/member services to the appropriate level for the individual property.

Raspberry Golf Management provides a single, coordinated and highly experienced source for any or all of the strategic planning, advisory or operational support needed to help clubs meet their service missions and profitability objectives. What makes the difference: thorough planning and committed, detailed execution.

We know and understand the game. We know and understand the players. Most importantly, we know and understand the business of golf. We know how to build a healthy bottom line, crafting custom success strategies. Raspberry Golf Management will analyze your challenges, needs and opportunities to help understand the forces that shape the bottom line.

#5 - RFI Response

B) Provide the name of the contact person from your company who will respond to questions or requests from the City for additional information.

Bob Swiger OWNER.

Bob has 23 years of commercial and mortgage banking experience of which the last 18 years were oriented to golf course and resort development. Bob attended West Virginia University and holds a BS Degree in Business Administration from the University of Charleston. His graduate studies were at Oklahoma University.

Bob spent many years in the business of financing and development of commercial properties. As prior President of Seabank Savings FSB in Myrtle Beach, SC, Bob gained extensive experience in negotiating, financing and development of varied properties; including a considerable number of daily fee golf courses. He also spent 13 years as a City Executive, and later Vice President and Regional Corporate Banker with South Carolina National Bank (now



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Wachovia Bank of South Carolina). Throughout these positions, Bob gained extensive knowledge of the financial aspects of golf course development, including risk management.

Bob currently holds the distinction of partner and General Manager of the renowned **Raspberry Falls Golf & Hunt Club** in Leesburg, VA and **Old Hickory Golf Club** in Woodbridge, VA. He has been the leading force behind these two award winning courses since their conception. He continues to be a managing partner with development concern, Stradinger, Swiger and Hatton.

Steve Clark

Steve joined **Raspberry Falls Golf & Hunt Club** in 2000. He is a graduate of the State University of New York and holds a BA in Economics. Steve started his business experience working for Motorola, where he gained valuable experience in sales, product development and market analysis, before following his love of golf. He began his golf management career at the prestigious Army & Navy Country Club in Virginia, and then over to **Raspberry Falls Golf & Hunt Club** as the Head Golf Professional. Steve holds the position as the Director of Golf Operations at **Raspberry Falls Golf & Hunt Club** and **Old Hickory Golf Club**.

Steve's strengths include experience at both start-up and established clubs, ranging from oversight surrounding development and opening of new golf properties; to the overseeing and managing of daily operations. This includes recruitment, training, food & beverage operations, maintenance operations, pro shop operations; as well as retail merchandising, accounting, sales and marketing, teaching and player development. His portfolio includes Army & Navy CC, Fairfax National, Tantallon, Reston National, Chesapeake Golf Club, Kiskiack, Virginia Oaks and Bristow Manor along with Raspberry Falls and Old Hickory.

LaMott Smith

LaMott is a seasoned industry veteran with experiences in virtually every aspect of golf course management. He spent over 25 years as an executive with two national golf management companies and has participated in more than five dozen golf startups, transitions and repositions; recruiting and training staff, formulating business plans, marketing plans, proformas and budgets and managing capital improvement projects.

LaMott honed his skills in Business Development, Financial Analysis and Accounting, Human Relations, Agronomy and Organizational Development. During his tenure with American Golf, and then Meadowbrook Golf, he held the positions of General Manager, Regional Manager and Regional Vice President. He has recruited and/or trained over 60 Managers, Assistant Managers, Golf Professionals, Superintendents and Regional and Corporate staff.



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LaMott attended American University where he earned his BS degree in Political Science/ American History. LaMott went on to Ohio State University where he pursued a Masters Degree in Sports Administration.

#5 - RFI Response

C) Overview - Provide the City with a generic understanding of your company and the services it provides, including:

COURSE DEVELOPMENT

- Market Feasibility Studies/Program Development & Implementation
- Property Identification and Evaluation
- Land Use and Zoning Consultation
- Engineering, Surveying, Environmental Management & Oversight
- Architect Recruitment and Selection
- Construction Management
- Financing Investigation and Placement
- Capital and Operations Budgeting
- Staff Recruitment, Hiring, Development
- Equipment Procurement & National Account Establishment

COURSE ACQUISITION

- Market Feasibility Studies
- Facility Evaluation
- Financial Planning and Review
- Transaction Structuring
- Negotiation Strategies
- Operations Evaluation
- Ownership Transition
- Exit Strategy Development and Recommendation

COURSE MANAGEMENT

- Market Plan, Competitive Analysis Development and Review
- Business Plan Development & Implementation
- Product Positioning and Operational Strategy Recommendations
- Financial Budgeting, Forecasting and Tracking Analysis
- Operational Reviews & Recommendations
- Benchmarking Best Practices
- Development and Execution of Service Standards
- Corporate Sales and Marketing



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#5 - RFI Response - continued

C) Provide the City with a generic understanding of your company and the services it provides, including:

i) Vision, Objectives, Management/Operational Philosophies

Raspberry Golf Management's vision is simply stated – we desire to 'partner' with owners, operators and entities where we believe our experience, expertise, and our 'hands-on' approach to solving problems can make a difference.

Raspberry Golf Management's objectives are straight-forward. We are not a 'portfolio' builder. We do not seek ownership, leases or management agreements to add to the # of golf facilities in our stable. We know the Mid-Atlantic Region – it's our home, it's where we live and do business, it's where we can have the greatest impact on assisting other 'like' properties. It's where we can truly be 'hands-on'; activity assisting and directing client needs and expectations.

Raspberry Golf Management's management/operational philosophies are deeply rooted and time tested. Combined, the Principals at Raspberry Golf Management have over 60 years of hands-on, practical and successful experience. We specialize in all aspects of golf course management and operations. We are conservative by nature, understanding that there are many outside, uncontrollable forces that impact the business model of golf. However, our philosophy of building brand and creating asset and performance value has made us what we are today – successful and profitable golf course operators. Our accumulated knowledge, maturity and resiliency drive us to succeed. We focus on time tested and proven methodologies that enhance club's services – thus ensuring success while minimizing overhead and facilitating efficient operations. Our standards, practices, and dedication to execution make us the leaders in our field.

ii) Size, location

At Raspberry Golf Management, we're proud of our size as we see it as a valued asset to our clients. We're small in number of properties (4) – yet large in experience with over 60+ combined years operating highly successful golf operations. Located in Leesburg, VA – we're local and that's where we want to stay – in a market that we operate and live in; know and thoroughly understand. Not only are our properties local – but so too are the Principals – with Bob Swiger operating out of Raspberry Falls, Steve Clark operating out of Old Hickory and LaMott Smith officing out of Leesburg, VA. Moreover, Steve and LaMott have worked at and operated numerous facilities in and around the DC Metropolitan Area (Steve: Raspberry Falls, Old Hickory, Bristow Manor, Virginia Oaks, Reston National, Tantallon, Fairfax National, Army & Navy; LaMott: Tantallon, Marlboro, Patuxent Greens, Reston National, Bristow Manor, Virginia Oaks, The



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Gauntlet, Prince William, Raspberry Falls, Old Hickory). Lastly, our 'smallness' means that your dealing with us directly – one of the Principals, not a 'Regional Manager' or some other mid-level manager.

iii) Number of Years in Operation

Raspberry Falls was built and open in 1995, Old Hickory in 2003 – both by Bob Swiger. Bob began his golf management background with the construction of Blackmoor (SC) in 1990. Steve Clark began his golf career in 1990 @ Army & Navy CC, Arlington, VA. LaMott began his golf career in 1983 with American Golf Corporation. Combined, the 3 principals of Raspberry Golf Management have over 60 years of practical, hands-on management of golf course facilities and operations.

iv) Golf Courses under management – past 5 years

Raspberry Golf Management has managed Raspberry Falls since its inception in 1995, and Old Hickory since 2003. In 2007, Raspberry Golf Management took over the reigns of Cannon Ridge Golf Club in Fredericksburg, VA from owners Deane Beman (former Commissioner of the PGA Tour) and Gary Schaal (former President of the PGA). And, in 2008, Raspberry Golf Management signed a long-term agreement for the construction and management of Royal Manchester Golf Links in York, PA from Pennsylvania Power & Light.

v) Types of golf courses managed; Market segments operating within

Raspberry Falls & Old Hickory would aptly be described as 'high-end' daily fee operations located in populous and demographically-rich suburbs of Washington, DC. Each offers a 'membership' along with daily fee play and both host numerous corporate and charitable golf outings. Their customers generally come from a 20-30 mile radius to play and will play 20+ rounds annually.

Cannon Ridge would also fit into this same description as Raspberry Falls & Old Hickory except its market place (Fredericksburg, VA) is not as affluent as Loudoun or Prince William Counties. Like Raspberry Falls and Old Hickory, Cannon Ridge offers a 'membership' along with daily fee play and hosts numerous corporate and charitable golf outings. Their customers generally come from a 20-30 mile radius to play and will play 20+ rounds annually.

Royal Manchester, the property we operate for Pennsylvania Power and Light, is vastly different than the above-mentioned facilities. Although privately owned by the utility company, Royal Manchester will mirror a municipal, community-type golf operation. Situated in the middle of Mt. Wolf, Royal Manchester will have the feel similar to that of RedGate – a golf facility patronized primarily by local residents with a high percentage of play being seniors, juniors and players who occasionally play golf.



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One of the 'unique' opportunities we believe is available at RedGate is to offer the 'high-end' service levels that we provide at Raspberry Falls and Old Hickory at a 'community-golf' facility. Service doesn't cost an arm and a leg. Rather, it's an attitude and attention to detail. We believe that this commitment to service and standards will set RedGate apart from its competition throughout Montgomery County.

vi) Level of knowledge of the golf industry, particularly the Mid-Atlantic Region

Raspberry Golf Management has a combined 60+ years of 'hands-on' successful and profitable golf course operations and management experiences covering a vast array of properties – from private and high-end daily fee to municipal and community-based facilities. There are no other golf course management companies that have their principals with this depth of hands-on, in the trenches experience.

Moreover, there are no other golf course management companies that have as much Mid-Atlantic Region experience as Raspberry Golf Management. Besides owning and operating Raspberry Falls and Old Hickory, Steve Clark has worked at no less than eight (8) golf facilities in the Greater Washington, DC Metropolitan Area while LaMott Smith has worked at no less than ten (10) golf facilities in the Greater Washington, DC Metropolitan Area. Both worked at Reston National – considered one of the busiest and most successful public golf venues in the area. Although privately owned, Reston National is truly a municipal/community-based golf facility – much in the same genre as RedGate.

vii) Description of company's approach to environmentally-sensitive golf course and facility management.

Raspberry Golf Management believes that its golf courses ought and should be role models for environmental stewardship in the communities they operate. To that degree, Raspberry Golf Management mandates its golf courses to join and follow Audubon sanction practices relating to natural fertilizers, promotion of naturalized grassy areas to encourage a habitat for native birds, and properly and safely handle and dispense with gasoline, oils and storage of required chemicals and pesticides. Raspberry Golf Management believes that a safe and environmentally-sound facility promotes not only a pleasurable and enjoyable recreation environment for its customers, but also a safe and secure work environment for its employees.

Regarding facility management, Raspberry Golf Management is fastidious in its promotion and execution of clean, safe and comfortable facilities. We believe strongly in using environmentally-sound practices like recycling (glass & plastics), reusable paper goods and products, disposables that are not harmful to the environment, and natural cleansers and chemicals to provide clean and healthy food & beverage areas as well as rest room facilities. We strongly believe in the conservation of water, whether its irrigation water on the golf course, washing down of maintenance equipment and/or golf



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carts (where we promote catching and filtering the debris), or the use and management of portable water. To that end, we are diligent in the preparation of drinking water on the golf course (thorough cleaning of water coolers on a daily basis) as well as the overall management of water resources in and out of the clubhouse and maintenance facilities. Our business is in direct correlation with a healthy, vibrant environment, and we take our role as an environment steward seriously and thoughtfully.

viii) Description of the company's philosophical approach and experience to the management of food and beverage operations

Raspberry Golf Management's philosophical approach and experience to the management of food and beverage operations mirrors its overall philosophical approach to general operations. Raspberry Golf Management's philosophical approach is deeply rooted and time tested. We believe strongly in building brand and creating asset and performance value. This is what makes golf facilities successful and profitable. We focus on time tested and proven methodologies that enhance club's services – thus ensuring success while minimizing overhead and facilitating efficient operations. Our standards, practices, and dedication to execution are the keys. Specifically to Food & Beverage, Raspberry Golf Management would look at the existing operation, footprint, dining space and examine the possibilities and potential. Moreover, Raspberry Golf Management would study the demographics of RedGate's patrons, ascertaining their likes and dislikes. Quality, consistency, profit margins and Costs of Goods Sold would be the benchmarks of our approach to the Food & Beverage operation. We would explore daily play fare, packaged 'on-the-turn' products, convenience cart operations, outing food & beverage packages, prospects of non-golf related food & beverage functions, use of the facility during non-golfing hours for meetings, events, etc... Fundamentally, Raspberry Golf Management would examine all aspects and prospects of what could potentially be obtained and managed from a Food and Beverage perspective, bringing their best practices and concepts from existing properties with proven results. Bottom line, Raspberry Golf Management would promote keeping the food & beverage operations under its authority, thus ensuring its coordination and synergies with the rest of the operation and maximizing both service and profitability.

ix) Description of the company's philosophical approach and experience to the management of golf retail operations

Raspberry Golf Management's philosophical approach and experience to the management of golf retail operations mirrors its overall philosophical approach to general operations. Raspberry Golf Management's philosophical approach is deeply rooted and time tested. We believe strongly in building brand and creating asset and performance value. This is what makes golf facilities successful and profitable. We focus on time tested and proven methodologies that enhance club's services – thus ensuring success while minimizing overhead and facilitating efficient operations. Our standards, practices, and dedication to execution are the keys. Specifically to Golf Retail Operations, Raspberry Golf Management would look at the existing operation and footprint and



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examine the possibilities and potential. Moreover, Raspberry Golf Management would study the demographics of RedGate's patrons, ascertaining their likes and dislikes.

Quality, consistency, profit margins and Costs of Goods Sold would be the benchmarks of our approach to the Golf Retail operation. We would explore daily play promotions, on-line retail opportunities, tying in our Golf Academy product with hard-good retail sales, package retail with golf outings and promotion of 'seasonal' sales (Masters, Father's Day, US Open, 4th of July, Labor Day, Black Friday, etc...). Fundamentally, Raspberry Golf Management would examine all aspects and prospects of what could potentially be obtained and managed from a Golf Retail perspective, bringing their best practices and concepts from existing properties with proven results. Bottom line, Raspberry Golf Management would promote keeping the golf retail operations under its authority, thus ensuring its coordination and synergies with the rest of the operation and maximizing both service and profitability.

Lastly, Raspberry Falls Golf & Hunt Club & Steve Clark was the recipient of the Mid-Atlantic PGA 'Merchandiser of the Year' award in 2009. This prestigious award isn't only given to those operations that 'look the best' but, more importantly, are the operations that were the most 'profitable' while their retail operations significantly contributed to the overall success of the property.

x) Level of expertise in services offered

Raspberry Golf Management's principals have been 'hands-on' operators and managers of golf courses for a combined 60+ years. The 'proof' of their level of expertise lies in the level of customer satisfaction at their respective courses. Perhaps no public facility in the Greater Washington, DC market has opened with such fan-fare **and** has been able to sustain the turbulent golf market over the last 15+ years better than has Raspberry Falls Golf & Hunt Club. The same can be said for Old Hickory Golf Club. Although distinctly different operations in distinctly different locales, both Raspberry Falls and Old Hickory have withstood the test of time – achieving profitability and growth in each and every year of operations. This is **only** accomplishable thru loyal and dedicated patrons, serviced by loyal and dedicated employees, with consistency of service and products paramount, accomplished by detailed and thorough execution. Raspberry Golf Management's level of expertise is second to none and this, along with their intimate and thorough knowledge of the Washington, DC Metropolitan area, secures their position as the #1 golf course operator in the Mid-Atlantic Region.

xi) Financial status of the company

Raspberry Golf Management is fiscally sound. With both Raspberry Falls and Old Hickory recording years upon years of profitability along with a secured long-termed management fee from Pennsylvania Power & Light, Raspberry Golf Management can sustain the current troubled economic times better than most. Our conservative, practical



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and prudent nature provides us a 'cushion' during the down years and a 'reserve' during the up years to continue to grow and prosper.

xii) Relationship to any larger business entity

Raspberry Golf Management has no relationship to any larger business entity. We are not part of a Venture Capital portfolio or have private investors. We are self-sustaining, leaning on our conservative, practical and prudent nature to weather the economic downturns and maximize the economic up-turns.

#5 - RFI Response

D) Management Services

i) A detailed description of the approach the Respondent would propose to take in achieving the goals and policies as set forth in Section 4 above

a) Achieve revenue growth for the golf course

It is well document that golf rounds, for the past 10+ years, have been static at best, with small blips up and down since 2000. The 'key' to grow revenue isn't in additional rounds – it's in the 'mix' of rounds along with incremental growth in the ancillary revenue streams (golf retail, food and beverage, driving range/ lessons/ clinics/ instruction, etc....). Raspberry Falls and Old Hickory's rounds have, for the most part, been static for the last 5+ years. Yet, revenues are up at each property. At Raspberry Falls, it's a concentration on the 'mix' of rounds (maximizing utilization in prime time, offering 'quality' rates in down-times, use of 3rd party reservation providers, concentration on corporate outings, etc...) along with growing the 'revenue per round' in the areas of retail and food & beverage. In addition, Raspberry Falls has made a large investment and concentrated effort to secure the 'instructional' business in Northern Virginia. This new revenue stream has provide hundreds of thousands of dollars in lesson and golf retail revenue to Raspberry Falls, along with scores of new members, rounds of golf, outings, etc...

For Old Hickory's part – it too has concentrated on its 'mix' of rounds (maximizing utilization on prime time, offering 'quality' rates in down-times, use of 3rd party reservation provides, concentration on corporate outings, etc...). However, Old Hickory has taken greater advantage of its banquet space to sell non-golf related events (weddings, parties, meetings, etc....) to significantly grow its revenue base. Old Hickory has 'plugged-in' to the community to 'share' its facility – whether it be with the local housing development residents, Prince William County Government, local Corporations, Churches, Charitable Organizations, Federal Government



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(Quantico & Ft. Belvoir) and the neighboring hospitality community (hotels, motels, etc...). Unlike Raspberry Falls, Old Hickory is more connected in the county, taking a leading role in county and community affairs to serve and provide services to meet the needs of those in its backyard. Raspberry Golf Management sees RedGate as potentially providing a similar role in its community.

In addition, Raspberry Golf Management has undertaken an aggressive foray into the business of teaching and fitting. With the establishment of the Raspberry Golf Academy, both Raspberry Falls & Old Hickory now possess the infrastructure, technology and personal know-how to provide state of the art teaching and fitting venues at each of its clubs. Raspberry Golf Management will institute a similar complex at Royal Manchester – adding additional revenues along with providing superior customer service – unmatched and unparalleled by anyone else in the industry. RedGate's physical plant would be an excellent candidate for the Raspberry Golf Academy concept.

b) Contain rate of expenditure growth by incentivizing efficient course management and operations

Raspberry Golf Management has a simple, straight-forward approach to incentivizing its key personnel. We like to call it 'let them stick their nose under the tent'. We believe it is healthy for our key personnel to 'see the big picture' – in this case it's the financial fortunes (or misfortunes) of the business. We do this because we tie key personnel's compensation to performance. Example: a Golf Professional would be additionally 'compensated' for controlling inventory levels, achieving projected Cost of Good Sold, achieving a targeted # of email addresses to add to the database, etc... etc.... Ditto for a Food & Beverage Director – incentives for achieving targeted inventory levels (thus saving on waste), achieving projected Cost of Goods Sold, maintaining targeted operating margins of sales to payroll to other expenses, etc... etc.... Even Superintendents are compensated similarly. Although tied to the overall property performance, Maintenance expense to revenue, labor expense to other expenses can be tracked, measured and rewarded upon for superior performance or performance exceeding budgeted expectations. The net result isn't only expenditure management, but a complete 'buy-in' from the key personnel to overall performance by the property to achieve its stated financial goals and objectives. Lastly, we have found this type of 'compensation' ties all the key personnel/department heads together – forging a true 'team' concept in striving to achieve financial targets and goals.

c) Eliminate future General Fund subsidies of RedGate

There is the old saying 'Rome wasn't built in one day'. The financial misfortunes of RedGate (and hence the necessity to tap into the General Fund to offset losses) didn't occur overnight, and they are likely not going to be solved overnight. That said the



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longest journey begins with a single step. That step, in Raspberry Golf Management's perspective, would be to establish goals, milestones and objectives backed up by thorough, complete and diligent execution of actions and behaviors to correct the current course RedGate is on and bring it back to financial stability.

Raspberry Golf Management has opened two courses (Raspberry Falls and Old Hickory) that were void of history, customers, customs and traditions. It has experience in making a facility profitable with no legacy, no past performance to rely on. When we took over management of Cannon Ridge, it was in the red by hundreds of thousands of dollars. In 18 months, we more than cut this deficit in half by building strong operational foundations to minimize mismanagement and waste while driving revenues with aggressive outing and banquet sales and providing quality, consistent customer service. This spring, when we open Royal Manchester – we'll again operate a facility with no history, customers, customs and traditions. We're confident, even in the midst of the worse economic climate in decades that it will perform to our expectations and be profitable for the owners. In our past histories, principals Clark & Smith have gone into underperforming operations and, through sound planning and execution, produced financially viable operations. If RedGate has been self-sustaining in the past, then its history and structural integrity can again be lifted up to fulfill a profitable existence. A new set of eyes, with new paradigms on how to achieve financial stability, are required to ease the pressures currently bared by the General Fund related to the solvency of RedGate.

The 'obvious' answer to this dilemma is to 'lease' the property to an outside source; charging a lease fee comparable to the burden currently bore by the General Fund. A word of caution. If this 'lease fee' that the operator has to pay the city burdens the lessee to be profitable operating RedGate, the firm will find ways to become 'profitable' which, generally means, they will cut services and product to levels to achieve profitability – at the expense of customers, patrons and residents. Then what results is a spiraling death-trap of poorer service, poorer conditions to where the 'fix' to turn things around is a steeper hill to climb than it was before their hiring. Rather than plunge into that uncertainty, we believe the City would be wiser to have someone manage and/or consult the city with its operations and point out and direct opportunities to start to bring the property back to financial stability.

d) Institute new customer communications and marketing initiatives

Raspberry Golf Management believes in frequent, engaging communications with its customers – whether it begins with a phone call to the course for a reservation, a greeting at the bag stand when the customer arrives to play golf, a cordial hello and welcome when they enter the proshop to pay their fees, a 'how is your round going' when they are greeted by the convenience cart on the course or are making the turn at the snack bar before heading out to their back nine of golf. Our staff members are trained and encouraged to 'engage' the customer with a positive attitude to exceed their expectations.



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Along this same philosophy, Raspberry Golf Management encourages customers to 'join' our email database. Fishbowl drawings, promotional give-a-ways are just a couple of strategies we use to collect customer emails. We then 'blast' selected email offers, promotions, specials or just news about the club to our 'core' customers, keeping them informed as to what's happening at the club and encourage them to take advantage of special rates, special retail promotions, special upcoming events, etc.... The customer can opt out if they wish – but more importantly, we 'aggressively' communicate to these 'core' players – letting them know that **their club** has offers that are promoted **exclusively** to them. There's no cost to join; any player who plays the club can be added (at their request) to our database and take advantage of the offers at their leisure.

One other 'strategy' we employ is an 'Advisory Committee' forum. Whether it's annual members, daily fee patrons, or a combination of the two (which is what we recommend), this august body meets regularly with the 'key personnel' at the club to discuss specific course issues, provide feedback on current programs, product and/or services being offered, and bridges the customer's expectations and desires with management's objectives and goals. We have found this 'forum' to be quite successful in communicating changes, ideas, strategies and general good-will with the customers of a specific golf facility. It's just one of many communication devices we would highly recommend being deployed at RedGate.

e) Foster a cogent master planning process for future capital improvements

One of the 'valuable' lessons we have learned thru owning, constructing and managing our own facilities is the priority and order of necessary capital improvements. Capital Improvements for improvement sake is wasteful spending. In determining the expenditures of Capital dollars, you need to truly ascertain the 'needs' from the 'wants'. A comprehensive plan of not only what improvements are needed but in what order to execute them in is critical to the long-term financial success of a golf facility. Our owned courses (Raspberry Falls & Old Hickory) are at their 'life cycle' where necessary and required capital improvements are vital to the long-term financial viability of each asset. To do major fairway renovation without doing cart path repair first is putting the cart before the horse. Dollars spent on fairway renovation without having adequate cart paths to restrict cart traffic to the paths until the fairway renovation matures is throwing money out the window. Thus, well-planned, well-conceived, sequential order of capital dollars makes not only for a better facility for the residents and patrons, but strategically lines up the 'return on investment' from a financial perspective. We have extensive experience and know-how to accomplish this task from a prudent and reasonable perspective.

f) Construct needed capital improvements

Of the four (4) properties we have operated, three (3) of these properties we have constructed from raw land to finished product with the principals on the ground supervising the activities. With the other – we directed the construction of both the



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maintenance facility and the clubhouse. We are 'well-heeled' in experience, knowledge and know-how to get projects done on time and under budget. In addition, we have the relationships with the right 'experts' (clubhouse architects, golf course architects, land shapers, irrigation specialists, etc....) not only to get the job(s) done, but to do the jobs right and exceed the customer's expectations. We are prepared and comfortable to undertake whatever construction project(s) may be required to take RedGate to the next level.

g) Maintain discounted green fees for Rockville City residents

Maintaining discounted green fees for Rockville City residents is easy to undertake. What is difficult from a decision like this is the ability to be profitable/self-sufficient (see answer to question A above). There are fixed costs to operate a golf facility in the Greater Washington, DC Metropolitan area. There are only so many tee-times available on a given day, only so many days in a week, only so many weeks in a month, and only so many months in a year. If discounted rounds are permitted to be exercised during 'prime time' tee times, when the 'real' \$\$\$ is made in the golf business, then the financial fortunes of a golf facility are seriously hampered in its ability to achieve financial stability. Raspberry Golf Management would **highly** recommend that any discounted fees be 'managed' carefully to ensure a proper balance of 'discounted' rounds vs. 'full-fare' rounds to optimize and maximize revenue per round – thus maximize profitability. To permit 'discounted' fees during the prime tee times (when demand is the greatest) is only 'cheapening' the asset and setting the slope even steeper to achieve your financial objectives (i.e. Elimination of future General Fund subsidies of RedGate). Knowing full well that 'discounted' fees are part of the 'partnership' with the residents, Raspberry Golf Management would certainly honor that commitment but, to ensure the City sees revenue growth, we would also be mindful and stewards to balancing those rounds with full-paying rounds to maximize revenue.



h) Maintain the RedGate Tournament Players Club (RTPC) program, which offers regular tournaments throughout the playing season.

Maintaining the RTPC is analogous to our response to the above-mentioned goal/challenge. To maximize revenue growth, prime time tee times need to be maximized both by price and utilization. The RTPC appears to be a great customer service driven product that provides competition and a 'sense of belonging' to RedGate. It would be both foolhardy and callous to disband such a program. However, to secure the above stated goals (A & C) it, like discounted fees, needs to be carefully management and assuaged to ensure that it is aligned with the overall goals of the property. The same can be said about any program, outing, event that RedGate offers. A program, for program sake, isn't necessarily good or aligned with the overall goals of the property. Each program, policy, outing, event needs to stand on its own merits, and its impact on revenue growth, profitability, efficiency, safety, etc... The RTPC seems to present many more positives than negatives (as does



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discounted green fees to Rockville residents). Both have their place and purpose in the operational plan for RedGate going forward. However, they need to be 'managed' and 'balanced' to be an asset, as opposed to a liability, for the long-term financial viability of RedGate. Programs like these, allowed to run unchecked, inevitably are more of a detriment than a benefit for the financial stability of a golf facility.

ii) Provide examples of how this approach has proven successful for other golf course under management

a) Achieve revenue growth

As stated above – both Raspberry Falls & Old Hickory have reach 'maturation' in their respective growth cycles – much like RedGate has. Consequently, neither property can rely on aggressive 'rounds growth' to achieve revenue growth. In the case of Raspberry Falls, aggressive tee-sheet management & utilization, including the use of 3rd party providers, has maintained and gain (in some degree) round levels while increasing overall revenue per round. In addition, the formation, promotion and execution of the Raspberry Golf Academy has produced a huge spike in activity in our range, instruction, club fitting and hard-good sales. This came with a sizable investment, but in just 2 years that investment has been paid back in full with only upside for the future.

At Old Hickory, the formula has been the same, yet different. There, a keen focus on tee sheet management & utilization has produced increased rounds and/or revenue per round. However, because it's footprint is different that Raspberry Falls (devoid of a large driving range complex but with a spacious banquet facility), Old Hickory has seen its growth more in the food & beverage arena thru weddings, non-golf events and social/charitable functions.

At Cannon Ridge (not a matured property), the formula was simple and straightforward – rounds & events growth. Outing, membership and banquet sales were the driving factors. We employed an individual who had vast experience selling outings, membership and events in the Fredericksburg, VA market. She brought with her a 'book' of events and 'contacts' for memberships. In one year, we doubled the # of outings and outing rounds, tripled the # of memberships and quadrupled the # of non-golf banquet events. The net result was a \$500,000+ growth in revenues in 12 months.

b) Contain rate of expenditure growth by incentivizing efficient course management operations

Simply stated – the 'compensation' plans we have for our department heads (GM, Head Golf Professional, Superintendent, F&B Director, Sales Manager, etc....) are all driven from a standard, competitive base salary along with incentives that either



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are tied to revenue opportunities (increased outing rounds, increased banquet events, increased contacts for our data bases, increased instruction revenue, etc...) along with management of 'controllable' expenses (labor, Cost of Goods Sold, etc...). We firmly believe this builds the best 'team' at our locations – getting and having everyone associated with the success of the property on the same page, looking at the same revenue and/or expense opportunities, and working together for the common good to achieve and exceed their goals. Frankly, we cannot think of operating any differently, as we firmly believe that the 'keys' to success lie directly with the quality and efforts of the team on site.

c) **Eliminate future General Fund subsidies of RedGate**

Eliminating future General Fund subsidies is very accomplishable by a keen and committed focus to two fundamental principles. First, one must maximize utilization of the tee sheet along with maximizing revenue per round. Discounted rounds, leagues, outings, RTPC, etc... all have to be managed and gauged for their impact on utilization and revenue per round. All these elements are doable and co-exist with maximizing revenue; however they need to be fashioned in a way that doesn't leave 'money on the table' and, thus, obtaining lower revenue per round than desired. Second, expense per round needs to be tightly managed. Efficiencies, especially in areas of labor, repairs & maintenance, utilities, Costs of Goods Sold, etc... all bring vital dollars to the bottom line. As the old saying goes, a dollar saved in expenses falls straight to the bottom line. These savings, however, cannot impact quality customer service; quality production of the product (aka – golf course conditions) and consistency in provide both of the above. A balance between maximization of revenue with efficient, prudent and thoughtful expense control can eliminate the deficit currently facing RedGate and, thus, the need for subsidies from the General Fund. This is the formula we use and ardently promote while operating Raspberry Falls and Old Hickory. The net result is unprecedented profitability for both facilities during their entire existence.

d) **Institute new customer communications and marketing initiatives**

At Raspberry Falls, Old Hickory and Cannon Ridge, our focus was acute and precise – grow the email databases at all three properties, market the clubs inclusive and exclusive among the 3 properties, and reward customer loyalty. At Raspberry Falls and Old Hickory, our database of email addresses exceeds 20,000 unique customers per property. At Cannon Ridge, we achieved over 10,000 unique customers. With the advent of the 'Raspberry Golf Trail' – encompassing 8 golf courses from Harrisburg, PA to Fredericksburg, VA – we hope to expand our reach, perhaps achieving a combined database market of well over 100,000 unique golfers in the Greater Washington, DC market.

In addition to external marketing thru our email databases, we have continued to focus on internal marketing thru our Customer Focus groups, Member Advisory Boards and regular surveys. The fruits of these efforts have help us organize and



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conduct more beneficial member events, public events, merchandise product mix, food & beverage menus and general policies and procedures that have help us service the customer better and more efficiently. Listening carefully and intently to our customers and guests has secured for us exemplary customer loyalty and support.

e) Foster a cogent master planning process for future capital improvements

Raspberry Falls and Old Hickory were built from raw ground to fully amenitized facilities. Yet, as time and the market has changed and evolved, so too has the capital needs of each property. At Raspberry Falls, nearly 15 years expired before our complete venture into the dedicated instructional aspect of golf with the addition of the Raspberry Golf Academy. We tested and tried many aspects and 'current' technologies until we found the right vehicle, the right mechanism that matched our product and mission along with the comfort level that it was executable and achievable. Today, the Raspberry Golf Academy is second to none in the Greater Washington, DC area for providing the highest quality and expertise in golf instruction and custom club fitting.

While operating Cannon Ridge, the owners' designs for the clubhouse excluded providing a quality environment for banquets, both for golf events and non-golf events. We encouraged them to convert the golf cart storage space into a banquet facility. The net result was a modern, attractive venue to host golf and non-golf banquets that has, within 3 years, exceeded \$500,000 in annual sales. The same philosophy we employed while designing and crafting the clubhouse facility at Royal Manchester Golf Links for Pennsylvania Power and Light. Yet to open, the facility has already book 15 weddings for 2010 and another 6 weddings for 2011. These are just three examples of how Raspberry Golf Management identifies and prioritizes the planning process for future capital improvements.

f) Construct needed capital improvements

The examples above, in addition to the construction of Raspberry Falls, Old Hickory and Royal Manchester, lay claim to our ability to construct needed capital improvements. From designing layouts, features (greens, tees, bunkers, water features) clubhouses, maintenance facilities, driving ranges, short game areas, covered year-around academy facilities, Raspberry Golf Management has the capacity, know-how, resources and experience to undertake and complete capital construction improvements. Moreover, as was in the case of Royal Manchester, Raspberry Golf Management was able to come in **under** budget on the **entire** project while meeting and exceeding the expectations of the owners (Pennsylvania Power & Light).

g) Maintain discounted green fees for Rockville City residents

Cannon Ridge is part of a Del Webb community outside of Fredericksburg, VA. Royal Manchester is in Mt. Wolf, PA - a 'company town' of Pennsylvania Power and



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Light. Both facilities had ‘discount’ needs – Cannon Ridge to endear and satisfy the Del Webb community being built adjacent to it; Royal Manchester to promote and instill a ‘community commitment’ by Pennsylvania Power and Light to the area where they do business. Our objective at each of these facilities was to ‘manage’ the needs and wishes of the owners while achieving stated financial goals and objectives.

We were successful at Cannon Ridge by embracing the Del Webb residents as our ‘preferred’ customer and member. Although their rates were ‘discounted’ we were able to homogenize their play around our ‘needed’ rack rate play and extensive outing play. The ‘net’ result was harmony among all the various groups that we serviced. This was accomplished by ‘partnering’ with the various golfing segments, identifying and explaining what we could do for them, and what they needed to do for us, and then executing and continuously communicating with them. We saw annual rounds grow by over 50% from the previous year thru ‘under-promising’ and ‘over-delivering’ on our stated goals and objectives and built a trust level that exists today.

While Royal Manchester is yet to open, we believe the ‘formula’ we engaged at Cannon Ridge will succeed at Royal Manchester and provide us the ability to continue ‘discounted’ rates to those entitled while balancing and achieving projected financial results.

h) Maintain the RedGate Tournament Players Club (RTPC)

The RTPC is similar, in many ways, to the existing Men’s Associations that we have at Raspberry Falls and Old Hickory and the Member Golf Committee at Cannon Ridge. We have been able to operate in ‘harmony’ with these organizations, providing them weekend access and tournament services while maintaining an ‘open-access’ posture with our general golfing public. Again, the ‘secret’ is communication, understanding, shared mission and goals, and a commitment to be fair and balanced with these organizations, having an understanding of what their needs and wants are while educating them on what the club needs in return from them. Engagement, open-door policy and attentive listening and learning are the keys to effectively manage and produce a ‘win/win’ relationship that is mutually beneficial for both sides.

iii) Identification of any issues that require further information or discussion

A more detailed explanation of how the employee/employer relationship works with the Head Golf Professional (Kieron Mooney) while there is also simultaneously an independent contractor relationship between Mr. Mooney and the City of Rockville. Also, what relationship, if any, that the City of Rockville has with the instructional programs at RedGate and, perhaps, how the Raspberry Golf Academy could be instituted at RedGate irrespective of whether the City moves forward with bringing in a firm to manage and/or lease the golf facility.



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iv) Identification of objectives or proposals from this RFI that the Respondent believes are not feasible or otherwise not advisable

From previous conversations, visits and follow-up communications, there is nothing we can ascertain that is not feasible or otherwise not advisable in the City's RFI at this time.

v) Suggestions for alternative methods of achieving the objectives or other potential policy goals of the City and RedGate Golf Course

Rather than the City exclusively considering a potential 'management' or 'lease' option, they might want to consider a 'consulting agreement' option as a 'short-term' or 'first-step' approach.

Under a 'consulting agreement' option, the City retains all of the operations, etc... much like it does currently, except that the City has a 'backstop' of a consultant providing advice, counsel, support, direction and experience on how to 'manage' thru the difficult times/periods. Much like outside legal counsel or outside accounting counsel, a entity like Raspberry Golf Management could be contracted on a 'retainer' basis and assist the City in both its short-term and long-term strategic planning and implementation regarding the operations and management of RedGate. This allows the City 'time' to fully assess the options, economic conditions, etc... in making long-term decisions regarding the future of RedGate. The downside, however, is that the fundamental operational paradigm (aka - City operated facility with both its strengths and weaknesses already exposed and acknowledged) hasn't change - thus expectation of dramatic improvements (in the short term) would be unrealistic. But, a consultant's 'support' does raise the level of support and direction from the current state of operations and would be a 'shot in the arm' to future endeavors and would buy the City time to fully evaluate all of its options.

vi) Provide, at Respondent's option, any additional information not specifically listed above which shows any experience of the Respondent that might be relevant to the City's policy discussion with regard to RedGate Golf Course

The combined 60+ years of Raspberry Golf Management's principals' hands-on engagement in golf course operations and management - chiefly in the Mid-Atlantic Region - we believe makes Raspberry Golf Management the singular consideration for the City of Rockville relative to assisting them in the operations of RedGate Golf Course. No other golf course management company, regardless of the # of properties, the size of the corporate staff, etc... can provide the genuine and dedicate assistance that Raspberry Golf Management can provide. Two of Raspberry Golf Management's principals (Clark & Smith) have combined operated and managed 18 golf courses in the Greater Washington, DC Metropolitan area. Raspberry Golf Management remaining principal (Swiger) has built two high-end, premium daily fee properties from raw land to completed facilities in the same area. We are intimately knowledgeable of the golf business, the local golf market and, most importantly, are actively engaged, as principals, in the day-to-day, on the ground operations of our facilities. The City of Rockville could



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find no better 'partner' to help them achieve their goals and objectives for RedGate Golf Course than Raspberry Golf Management. We stand ready to serve you.

On behalf of Raspberry Golf Management, I would like to extend my appreciation for providing us this opportunity to serve you and, in advance, thank you for your consideration of our RFI proposal. We hope that we have met your expectations, and look forward to future conversations.

Please feel free to contact me directly if you have any questions. I await your reply.

Regards,

LaMott Smith
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